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C O N F I D E N T I A L SECTION 01 OF 02 DHAKA 000778

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SUBJECT: HASINA'S RETURN SETBACK FOR GOVERNMENT REFORM
AGENDA

REF: DHAKA 0750

Classified By: Ambassador Patricia Butenis, reason para 1.4 d.

¶1. (C) Summary. Hasina's triumphant return to Bangladesh marks a dramatic setback to government efforts to force the two ladies into exile and create a new political landscape. Taking Hasina, and by necessity Zia, to trial may be Plan B but is fraught with risks for an increasingly risk-averse government. End Summary.

The Prodigal Daughter Returns

¶2. (C) Hasina's triumphant May 7 return to Dhaka ended speculation that the Awami League chieftain had been blackmailed into exile and that party rivals were poised to supplant her or defect to a new political grouping. The party faithful greeting her at the airport included three top leaders who four weeks ago had basically called on her to stay away.

¶3. (C) Hasina's political secretary, Saber Chowdhury, characterized her return as a "tactical" defeat for the government and said that the thousands of supporters who lined the roads to cheer her motorcade signaled the beginning of the end of the government's political honeymoon. He denied the Awami League has any plan to agitate for an end to the ban on political activities or to hold earlier elections. "The last thing we want is to give the government an excuse to delay elections and buy more time to organize its 'king's party,'" he said.

The Other Lady Lies Low

¶4. (C) According to one senior adviser, Bangladesh Nationalist Party chairperson Khaleda Zia continues to plan for mini-Hajj travel to Saudi Arabia with an option for exile there or in Kuwait. As Hasina's plane neared Dhaka, the adviser conveyed to the Ambassador Zia's appeal for the USG to pressure the government to allow her son Tariq, in jail on extortion charges, to be released on medical grounds to go to Saudi Arabia. He admitted he was unsure of Zia's intentions, whether she only wanted to save her family or whether Hasina's return would encourage her to hang tough.

Government Reaction

¶5. (C) Perhaps surprised by the scope of Hasina's reception,

the government has moved to identify and charge several thousand supporters for violating the ban on political activity and disciplined four senior police officers for failing to prevent the violation. It continues to affirm there are no restrictions on the movements of or access to the two ladies, though party contacts and the media report otherwise. Hasina and other senior party figures, however, are out and about, and cautiously criticizing government actions. Zia is virtually out of public view.

¶6. (C) Previously, government officials had indicated the two ladies had to go to create space for reform and a new, more democratic political process. On May 9, Home Secretary Karim echoed to us what appears to be the emerging government spin on Hasina's return: Every citizen has the right of return and to face charges in a court of law.

Joining Hands?

¶6. (C) Khaleda Zia issued a statement welcoming Hasina's return, but Awami League leaders publicly denied there is any scope for inter-party cooperation akin to their joint struggle against the Ershad dictatorship. "Our experiences with them are too bad to have any confidence in their sincerity," Secretary General Jalil told reporters. Chowdhury, Hasina's political secretary, claims Zia's party is too discredited and too weakened to provide meaningful support.

Prospects for Party Reform

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¶7. (C) Party reform may be the biggest casualty of Hasina's return. Chowdhury noted that Hasina and her supporters feel vindicated by recent events, and he articulated a reform agenda -- like public campaign financing and political party registration -- that excludes how party leaders are selected.

He says he has advised Hasina not to punish her four opponents in the party presidium because the party needs all its strength to defeat the "king's" party. (Comment: The same logic might be harnessed to oppose "unnecessary" or "disruptive" reforms.)

¶8. (C) Two weeks ago, there was a critical mass of Bangladesh Nationalist Party leaders who supported replacing Zia but which refused to act itself, believing the military would do it for them. Before party reform can be addressed, Zia's status -- whether she's going or staying -- must be clarified and alternative, credible leaders will have to materialize. Syed Iskander, an ex-army officer and Zia's brother who has conspicuously escaped arrest on corruption charges, has emerged as a party vice-chairman and potential successor, a prospect that excites no one and which, Iskander told us, he has no interest in realizing.

Plan B

¶9. (C) Multiple sources report that the military has not given up on sidelining the two ladies and creating a "king's" party, but its tactics are up in the air. Chief of Army Staff Moeen's widely-criticized political trial balloon at a political science convention on April 1 appears to have ended talk that he would try to succeed Iajuddin Ahmed as president in September; the current theory is that Ahmed will stay until a "king's" party wins the next election and the new parliament selects Ahmed to take over a constitutionally-beefed up presidency.

¶10. (C) If exile is off the table for now, the obvious "Plan B" for sidelining the two ladies is electoral disqualification through criminal conviction, but this poses several major risks. First, if Hasina is taken to trial, the

government would have to do the same with Zia to preserve its vital image as politically neutral. There are no pending charges against Zia, and taking General Zia's widow to trial would be a bitter pill for many military officers, some of whom could also be implicated in illicit practices during Zia's government. In addition, a trial could give Hasina a perfect platform for railing against the government, and even if she were credibly convicted on a serious charge, there would be millions of Bangladeshis who would still view her as a political martyr.

Comment

¶11. (C) It is unclear how the government will deal with the continuing presence of the two ladies. While it has shown sensitivity to domestic and international pressure -- for example, on media freedom and Hasina's right to return -- there is no sign it plans to lift soon the ban on political activity, and the military continues to talk to primarily BNP politicians about supporting a "king's" party. Next week, the Ambassador plans to pay farewell calls on Hasina and Zia to hear their views firsthand.

BUTENIS